

## REMARKS

The drawings are objected to under 37 CFR 1.83(a) as failing to show a product label with unique machine-readable code. Claims 1, 3, and 11 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Bradbury, et al., U.S. Patent No. 4,929,818 (Bradbury), in view of Cahill U.S. Patent No. 4,285,426 (Cahill). Claims 4 and 5 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Bradbury as modified by Cahill in view of Matthias, U.S. Patent No. 6,151,587 (Matthias). Claims 2 and 6-10 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Bradbury as modified by Cahill in view of Stefan (JP 06-277,231) (Stefan). Claim 12 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Bradbury as modified by Cahill in view of Wait, U.S. Patent No. 2,718,630 (Wait). Claims 14 and 16-20 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Bradbury as modified by Cahill in view of Hovakimian, U.S. Patent No. 5,466,919 (Hovakimian). Claims 11-13 stand rejected under 35 U.S.C. §101 as claiming the same invention as that of claims 8-10 of copending Application No. 09/396,574, now U.S. patent 6,578,763. Claims 1-10 stand rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of copending Application No. 09/396,574, now U.S. patent 6,578,763. Claim 15 is objected to as being dependent upon a rejected base claim, but is indicated as allowable if rewritten in independent form. The Examiner's attention to the present application is greatly appreciated, and has facilitated prosecution. The Examiner's reconsideration of the outstanding rejections in view of the present amendment and remarks is respectfully requested.

With respect to the drawing objection under 37 CFR 1.83(a) for failing to show a product label with unique machine-readable code, the Examiner's attention is directed to the specification on page 13, in lines 17 - 19, which states: “The particular organization is assigned a **unique code or indicia 20**, such as a combined bar code that **identifies not only the desired contents for container AA, but also an affiliate code.**” On page 9, in line 2, the specification states: “Container AA has **machine-readable indicia 20** thereon.” Consequently, the product labeled with unique machine-readable code is already illustrated as item 20, shown in figure 1.

Each of the present claim rejections of claims 1 - 13 under 35 U.S.C. §103(a) rely upon the combination of Bradbury and Cahill.

## BRADBURY

Bradbury teaches a method for vending a liquid product in a special (marked) container constituting refilling of the same container and charging the customer only for the product and not for the container. Bradbury recognizes that there was a prior practice of customers bringing an empty container to a store, etc., for refilling or exchange.

The Bradbury method and apparatus differ in significant ways from applicant's method and apparatus, as will be explained below.

Bradbury and applicant both utilize a container with a machine-readable INDICIA which provides the price which is to be charged to the customer for both the container and the product. However, applicant's method uses only a standard container with the standard INDICIA, while Bradbury's method requires a special container comprising a special indicium.

The Bradbury method requires a standard bar code and at least one additional INDICATOR to be affixed to the container either at the time of the manufacture of the container or later. The INDICATOR is "stimulus responsive, machine-readable" and is placed on the container separate from the INDICIA. Further, the INDICATOR is stimulated by an appropriate energy source at the refill station so that the INDICATOR is caused to undergo a change of state. The change of state is readable or discernible at the checkout. The stimulus preferably acts on the INDICATOR affixed to the container concurrently with the refilling of the container. The customer of Bradbury does not have any visual or "hands-on" experience or awareness at the refill station concerning receiving a credit for returning an empty container. Bradbury's customer must trust the system to operate, as advertised, to avoid paying again for the container. Bradbury's customer does not receive any signal at the refill station as to whether or not a credit will be provided for the empty container that the customer brought to the refill station.

Thus the Bradbury method requires a special, non-standard container which has at least two INDICIUMS, the first being the standard bar code INDICIA found today on almost all products and the second special INDICATOR which, when "stimulated", experiences a "change of state". Applicant's method uses only a standard container with the standard bar code INDICIA. Further, the Bradbury method requires a refill station that (1) reads the standard bar code INDICIA and 2) has a separate means for reading and then stimulating the INDICATOR.

In addition, Bradbury requires special, non-standard apparatus at the check out station for

reading the INDICATOR to determine whether or not it has been stimulated.

Applicant's method and apparatus use a standard container and have a refill station which merely reads the bar code INDICIA and IMMEDIATELY issues a coupon to the customer for the value of the container and may also provide the customer with other store/products information. This is a positive experience for the customer who removes the filled container from the refill station together with the coupon. The customer later takes the refilled container to, and tenders the coupon, at the check out, where the check out bar code reader will read the INDICIA and will charge for the price of both the container and the product, but the credited coupon will net the price out to be that for the product only. Applicant's method does NOT require any special apparatus at the checkout station analogous to Bradbury's means for reading the Bradbury INDICATOR.

Thus the Bradbury method and apparatus are relatively complex and expensive and use a different methodology and apparatus as compared to applicant's simple and inexpensive method and apparatus which issues a credit coupon to the refill customer at the refill station immediately and concurrently with the customer's container being refilled. Bradbury's complex method requires (1) special containers, (2) special and expensive apparatus at the refill station, and (3) special, nonstandard INDICATOR reading means at the check out. Bradbury's expensive system would not be salable to cost conscious retailers; applicant has never seen a Bradbury-type system in her many years of contact with retailers and retailing. Bradbury's lack of anticipatory merit is not just a failure to teach the issuance of a coupon at the refill station (although, as indicated, this is an important psychological marketing factor) but there are the above identified significant structural differences in the containers, the refill station, and the checkout. Bradbury teaches expensive complexity while Applicant teaches inexpensive simplicity to wit:

- A) Bradbury requires a special or non-standard container carrying a nonstandard INDICATOR; this is not required by applicant who uses the standard bar code INDICIA already on the standard container and which identifies the product and the original purchase price for the product and its container;
- B) Bradbury has a special and likely expensive apparatus at the refill station for stimulating the INDICATOR; not required by applicant; and
- C) Bradbury has a special INDICATOR reader apparatus at the check out station; not required by applicant.

In sum, Bradbury does not teach the utilization of the machine-readable indicia at a refill station for the refilling of a container and responsive thereto producing a promotional coupon.

#### CAHILL

Cahill teaches the return of empty containers (read "soft drink and beer cans") to a REFUND station for classification as to those containers qualifying for a refund and those which do not. The containers are placed on an open round carousel turntable with the standard bar code INDICIA oriented to be read or detected by a redemption apparatus. Each container is "read" individually and, if determined to be entitled to a refund, is machine-swept from the carousel into a shredder for comminuting (thus fraud is minimized!). If the container will not attract a refund, the rejected container is moved by a reject arm into a reject chute and thence into a reject receptacle basket for removal by the customer. Cahill issues a cash return or a refund coupon to the customer redeemable at a store for the face value printed thereon for the container accepted by the apparatus.

It is important to note that Cahill's method is not concerned with REFILLING a previously vended container. Cahill's apparatus including a carousel, the swinging accept and reject arms, the shredder, the trash container, and the reject basket all would be bulky, noisy, and likely dangerous from a safety standpoint and thus would not likely be located within a retail establishment such as a supermarket where applicant's attractive, quiet and successful refill stations are located.

Applicant emphasizes that Cahill has nothing to do with retail sales per se. Cahill is not interested in refilling an empty container. Cahill teaches a REFUND machine located in a non-retail venue for identifying certain (but not all) containers for shredding. The party bringing containers to the refund station is paid a refund for qualified and shredded containers. Non-qualified containers are swept into a basket or the like for the party to remove from the venue.

The rejection states at Page 4 that the examiner recognizes that the Cahill system is for "non-refillable" containers but that Cahill teaches, more important, the recognizing from the bar code on a container for the purpose of printing a coupon for the face value of the returned container.

The unsoundness of the rejection occurs when, pursuant to 35 USC 103(a), it is stated that a person having ordinary skill in the art would have found obvious applicant's invention, regard being given to Bradbury in view of Cahill. Specifically, the rejection at page 4 states:

"In view of Cahill's teachings, it would have been obvious to an artisan of ordinary skill in

the art at the time the invention was made to incorporate the means to read the indicia on the container (i.e., from the UPC code thereon) to initiate the operation of identifying the value of the container, and providing a redeemable coupon for the face value of the container in the system of Bradbury in order to provide an automated product dispensing system having an inexpensive redeeming process without alteration of the bar code on the container by issuing the coupon which is equivalent to the cost of the container at the checkout station."

The defect of the rejection is that Bradbury and Cahill *per se* do not teach applicant's claimed invention nor would one of ordinary skill in the art find it obvious. Recall that Bradbury requires a special container to have, in addition to the standard INDICIA, at least one special nonstandard INDICATOR (the preferred embodiment requires two separate stimulus-type INDICATORS). Further, recall that Bradbury has an INDICIA reader and at least one separate INDICATOR reader at the refill station, and has at the check out a standard bar code reader and at least one SPECIAL reader for reading the INDICATOR. At the check out, hidden from the customer, Bradbury backs out the cost of the container from the customer's bill. How does the customer know that the complex system actually worked? Did the refill station STIMULATE the INDICATOR? Did the INDICATOR actuate the SPECIAL reader at the checkout? The customer has no clue. The customer using applicant's apparatus and method do not have to wonder because she or he received the discount coupon at the refill station.

The Examiner says not to worry. We will scrap Bradbury's special containers having at least one INDICATOR not found on or needed in the standard UPC retail marking world. We will forget about Bradbury's apparatus for reading at least one INDICATOR at the refill station. We will also throw away Bradbury's SPECIAL reader at the check out for reading the INDICATOR. We will also change the (hidden from the customer) Bradbury step of crediting the customer at the checkout counter to a tangible dispensing of a coupon at the refill station. We will plug into Bradbury's refill station Cahill's coupon dispenser, glossing over the transition from Cahill's method of accepting or rejecting empty containers. The rejection states that "such modification would have eliminated the bar code altering operation in the system of Bradbury and thus would have eliminated a stimulus response indicator and the stimulus-sensitive material in the system of Bradbury, and therefore, would have provided simplified structure." (p. 5, lines 5-7).

Very simple. Also very much a classic example of using applicant's teaching as a blueprint

or road map for structuring a rejection by gutting most of Bradbury's teaching and modifying the residual skeleton of Bradbury with a dramatically modified Cahill. It is strongly submitted that one having ordinary skill in this art and having access to the teachings of Bradbury and Cahill would NOT find obvious Applicant's invention as defined in claim 1.

Actually, the above quotation from the outstanding office action is a validation of one of the advantages of applicant's invention: its simplicity and low cost which can be indicators of patentability. Sometimes "less" is far better than "more". Simplicity is not inimical to patentability. Simplicity may represent a significant and unobvious advance over the complexity of prior devices. *Sensonics, Inc. v. Aerosonics Corp.*, 81 F.3d 1566, 38 USPQ 2d 1551 (Fed. Cir. 1996).

The rejection, as indicated, has abused 35 USC 103(a) by the dissembling and modification of both Bradbury and Cahill and putting bits and pieces together in the attempted anticipation of applicant's claims. It is submitted that neither Bradbury nor Cahill has teaching or suggestion to one having ordinary skill in this art that would lead to the invention set forth in those claims. It is further submitted that the rejection improperly relies on the applicant's disclosure for the teaching.

The Federal Circuit has clearly stated with respect to a 35 USC 103(a) obviousness assertion that it is improper to use the inventor's patent as an instruction book on how to reconstruct the prior art. *Ashland Oil, Inc. v. Delta Resins & Refracs., Inc.*, 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985).

The legal conclusion of obviousness requires that there be some suggestion, motivation, or teaching in the prior art whereby the person of ordinary skill would have selected the components that the inventor selected and used them to make the new device. *C.R. Bard, Inc. v. M3 Sys. Inc.*, 157 F.3d 1340, 48 USPQ 2d 1225 (Fed. Cir. 1998).

The absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 42 USPQ 2d 1378 (Fed. Cir. 1997). The Patent Office has the burden of establishing a *prima facie* case of obviousness to overcome the presumption of validity of the claims. *In re Spada*, 911 F.2d 705, 17 USPQ 2d 1655 (Fed. Cir. 1990).

The mere fact that it is possible to find two isolated disclosures that might be combined in such a way as to produce a new compound does not necessarily render such production obvious unless the art also contains something to suggest the desirability of the proposed combination. *In re Grabiak*, 769 F.2d 729, 226 USPQ 870 (Fed. Cir. 1985).

Finally, drawing upon the "court of common sense", if applicant's invention were so obvious, why can't the Patent Office produce a single example showing the invention? After all, Bradbury issued in 1990 and Cahill in 1981.

To summarize the rejection of the claims, applicant has shown that her teaching (and not the prior art) has been used to guide the outstanding rejection is very improper, selective, and major modifications of both Bradbury and Cahill, such modifications not being, *per se*, suggested by the references *per se*, nor by the knowledge of one having ordinary skill in the art. Applicant's simple invention should not be penalized because it is simple; its simplicity results in an inexpensive, highly reliable, popular method and apparatus. Applicant has validated her concepts with commercially successful installations.

The remaining references cited in the present office action do nothing to enhance or extend the teachings of Bradbury and Cahill to applicant's claim recitations. Matthias merely teaches a computer implemented coupon dispensing system and has no teaching or suggestion directly applicable to modify or strengthen Bradbury or Cahill. Stefan merely teaches a method and device for selectively blending or mixing together of tooth fillers. There is nothing in Stefan which can breathe "life" into the failed combination of Bradbury and Cahill. Wait teaches an automatic means for unlocking a door in a vending machine to enable a customer to remove a vended article, and for automatically locking the door after the article has been removed to secure the machine against unauthorized tampering. There is nothing in the Wait reference which is applicable to modify or strengthen Bradbury or Cahill.

Each of the claims 2 - 10 and 12 - 13 recite additional features that add novelty to the present invention. While these features are not individually discussed herein, the novelty is not waived with respect thereto. Rather, in view of the defect in the combination of Bradbury and Cahill, these features which are recited as dependent claims from claims 1 and 11 necessarily incorporate the features of the independent claim and are consequently patentable without requiring an individual review of each.

Claims 14 and 16-20 stand rejected over Bradbury in view of Hovakimian. Bradbury has been discussed herein above, and will not be repeated herein for brevity, the foregoing contents understood to be incorporated herein as well. Hovakimian illustrates a credit card financial transaction system. There is no illustration or teaching therein which would in any way reasonably

suggest to combine a machine-readable code unique to an organization with a product label, and responsive to a filling of the labeled product container compensating the organization. As outlined herein above, the references themselves must intrinsically suggest or teach the combination, such teaching which is completely devoid in either Bradbury or Hovakimian.

#### Double Patenting

Claims 11 - 13 have been canceled by way of the present amendment. Claims 1 - 10 are the subject of an obviousness-type double patenting rejection. A proposed terminal disclaimer is attached herewith for the Examiner's review, though not executed, pending decision on the merits of the claims herein in view of the fact that not all pending claims are subject to this double-patenting rejection. In the event the Examiner finds all other matters resolved in the present application, the Examiner is hereby invited to advise the applicant's representative of the same to obtain an executed copy of the terminal disclaimer herein and thereby advance prosecution.

#### Conclusion

These amendments are believed to place the present application in condition for allowance, in view of the above remarks, and no new matter is introduced. The Examiner is therefore respectfully requested to reconsider the rejections and indicate the patentability. If there remain open issues in this application, the Examiner is respectfully requested to call the undersigned at 320-363-7296 to further discuss the advancement of this application. Please charge all fees associated with this correspondence to deposit account 17-0155.

Sincerely,

  
Albert W. Watkins

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